

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Milan Post Office
Milan, Kansas 67105

Docket No. A2012-85

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(January 23, 2012)

On November 29, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked November 18, 2011, from postal customer Michele Norris ("Petitioner") objecting to the discontinuance of the Post Office at Milan, Kansas. On December 13, 2011, the Commission issued Order No. 1041, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Commission received no additional written communications from customers of the Milan Post Office. In accordance with Order No. 1041, the Postal Service filed the administrative record with the Commission on December 14, 2011.

The appeal raises three issues: (1) the impact on the provision of postal services, (2) the impact upon the Milan, Kansas community, and (3) economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Milan Post Office should be affirmed.

¹ See 39 U.S.C. 404(d)(2)(A).

Background

The Final Determination To Close the Milan, KS Post Office and Establish Service by Rural Route (“Final Determination” or “FD”)², as well as the administrative record, indicate that the Milan Post Office provides EAS-53 level service from 8:00 a.m. to 12:00 p.m. and from 1:45 p.m. to 4:00 p.m., Monday – Friday, and from 8:00 a.m. to 9:45 a.m. Saturday, as well as lobby hours of 8:00 a.m. to 5:30 p.m. on Monday – Friday and 8:00a.m. to 5:30 p.m. on Saturday, to 31 P.O. Box or general delivery customers and no delivery customers.³ The postmaster position of the Milan Post Office became vacant when the postmaster retired on September 30, 2008. Since the postmaster vacancy arose, an officer-in-charge (“OIC”) was installed to operate the office. The noncareer postmaster relief (“PMR”) serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility.⁴ The average number of daily retail window transactions at the Milan Post Office is four, accounting for five minutes of workload daily. Revenue generally has been low: \$5,525 in FY 2008 (14 revenue units), \$5,066 in FY 2009 (13 revenue units), and \$5,277 in FY 2010 (14 revenue units).⁵

² All citations to the Final Determination refer to the page numbers marked on the top of the pages of the Final Determination that was posted at the Milan Post Office, which can be found at Item No. 49, at 1-7, and are referred to as “FD.” Other items in the administrative record are referred to as “Item ____.”

³ FD, at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet (“Fact Sheet”); Item No. 33, Proposal to Close the Milan, KS Post Office and Establish Service by Rural Route Service (“Proposal”), at 2. All citations to the Proposal refer to the page numbers marked on the top of the pages of the Proposal that was posted at the Milan Post Office, which can be found at Item No. 36, at 1a-7.

⁴ FD at 2, 6, and 7; Item No. 21, Letter to Postal Customer from Manager, Post Office Operations (“Letter to Customer”), at 1; Proposal, at 2, 7.

⁵ FD, at 2; Item No.18, Fact Sheet; Proposal, at 2.

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route service under the administrative responsibility of the Argonia Post Office, an EAS-13 level office located seven miles away, which has 251 available Post Office Boxes.⁶ This service will continue upon implementation of the Final Determination.⁷

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the Milan Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to all Post Office Box customers of the Milan Post Office. Questionnaires were also available over the counter for retail customers at the Milan Post Office.⁸ A letter from the Manager of Post Office Operations, Omaha, Nebraska, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether to continue operation of the Milan Post Office, and that effective and regular service could be provided through rural route service emanating from the Argonia Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route service.⁹ Thirty-two customers

⁶ *Id.*

⁷ FD at 2; Proposal, at 2.

⁸ FD at 2; Item No. 20, Questionnaire Instruction Letter from Post Office Review Coordinator to OIC/Postmaster at Milan Post Office; Proposal, at 2.

⁹ Item No. 21, Letter to Customer, at 1.

returned questionnaires, and the Postal Service responded.¹⁰ In addition, representatives from the Postal Service were available at the Milan Community Center for a community meeting on April 12, 2011, to answer questions and provide information to customers.¹¹ Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Milan Post Office and the Argonia Post Office for 60 days, from July 29, 2011 to September 29, 2011.¹² Four comments were received after the Proposal was posted.¹³ The Final Determination was posted at the same two Post Offices starting on November 2, 2011, as confirmed by the round-dated Final Determination cover sheets that appear in the administrative record as Item No. 49.

In light of the postmaster vacancy; minimal workload; low office revenue;¹⁴ the variety of delivery and retail options (including the convenience of rural delivery and retail service);¹⁵ no projected population, residential, commercial, or business growth in the area;¹⁶ minimal impact upon the community; and the expected financial savings,¹⁷ the Postal Service issued the Final Determination.¹⁸ Regular and effective postal

¹⁰ Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters; Item No. 23, Customer Questionnaire Analysis.

¹¹ Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis.

¹² FD at 2; Item No. 36, Round-dated Proposals.

¹³ Item No. 40, Analysis of 60-Day Posting Comments.

¹⁴ See note 5 and accompanying text.

¹⁵ FD at 2-5, 7; Proposal, at 2-5, 7.

¹⁶ Item No. 16, Community Survey Sheet.

¹⁷ FD at 6; Item No. 18, Fact Sheet; Item No. 29, Proposal Checklist, at 2; Proposal, at 7.

¹⁸ FD at 7.

services will continue to be provided to the Milan community upon implementation of the final determination.¹⁹

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Milan Post Office on postal services provided to Milan customers. The closing is premised upon providing regular and effective postal services to Milan customers. As explained throughout the administrative record, carriers can perform many functions (at the same time that the carrier delivers the mail) so that a customer will not have to travel to a Post Office for most transactions. FD at 2-5, 7; Item No. 23, Customer Questionnaire Analysis; Item No. 25, Community Meeting Analysis, at 2, 3; Proposal, at 2-5, 7. Customers do not have to make a special trip to the post office for service. Most transactions do not require meeting the carrier at the mailbox. FD at 2, 4; Item No. 23, Customer Questionnaire Analysis, Item No. 25, Community Meeting Analysis, at 2, 3; Proposal, at 2, 4. Additionally, the Postal Service explained that it offers several convenient options that can save customers a trip to the Post Office and having to interact with a carrier for most postal transactions. FD at 2-5; Proposal, at 2-5. Stamps by Mail and Money Order Application forms are available for customer convenience. FD, at 2, 4; Item No. 25, Community Meeting Analysis, at 2; Proposal, at 2, 4.

¹⁹ FD at 2; Proposal at 2..

The Petitioner, in her letter of appeal, raises the issue of the effect on postal services of the Milan Post Office's closing, noting the convenience of the Milan Post Office and requesting its retention. The Petitioner expresses particular concern about a number of issues, each of which is addressed in the next paragraphs.

Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service, in determining whether to close a Post Office, must consider whether such closing is consistent with the policy that the Postal Service provide "a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining."²⁰ The Postal Service's view is that the "maximum degree" obligation in section 101(b) must be read in the context of related statutory provisions. It is a directive to recognize that special consideration must be given to the greater likelihood of dependence on postal retail facilities for access to postal products and services in rural communities and small towns; however, this concern must be balanced with Congressional mandates that the Postal Service execute its mission efficiently and economically. See sections 101(a), 403(a), (b)(1) and (b)(3); 404(d)(2) and 3661(a). Here, the Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

With respect to Petitioner's concern about mail security, the Postal Service advised customers that they may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume.

²⁰ 39 U.S.C. § 404(d)(2)(A)(iii).

The Postal Service does not open mailboxes which are locked and does not accept keys for this purpose. FD, at 3; Item No. 40, Analysis of 60-Day Posting Comments.

Petitioner contends that the purchasing of money orders and stamps and the sending of accountable mail will be more inconvenient as a result of the closing of the Milan Post Office. Contrary to Petitioner's assertions, customer convenience may be enhanced upon implementation of the FD because the provision of rural carrier service will alleviate the need for customers to travel to the Post Office for many retail services and will provide customers with 24-hour access to their mail. The Postal Service has informed the Petitioner and others that customers may purchase money orders by meeting the carrier at the mailbox, completing an application (which can be provided by the carrier), and paying the carrier the price of the money order, plus the fee. The carrier gives the customer a receipt for the application. The money order is completed when the carrier returns to the Post Office, and a money order receipt is left in the customer's mailbox on the next delivery day. Customers can provide the carrier with a stamped, self-addressed envelope in which the completed money order is mailed to its destination, and can request return of completed money orders for verification on the next delivery day. FD, at 4; Item No. 25, Community Meeting Analysis, at 2; Proposal, at 4. Customers can leave a note for carriers to sound the horn upon arrival if they prefer to conduct financial transactions in person. FD, at 3; Item No. 25, Community Meeting Analysis, at 2; Proposal, at 3. In addition, the Postal Service explained that the Stamps by Mail Program provides customers the opportunity to purchase stamps, envelopes and postal cards using a form that is available from the carrier. The

customer addresses the postage paid order form envelope, encloses payment by personal check or postal money order, and mails the form (postage-free) or leaves it in the mailbox for the carrier to pick up. Most orders are processed overnight, and some immediately. FD, at 4; Item No. 25, Community Meeting Analysis, at 2; Proposal, at 4. With respect to Petitioner's concern about sending accountable mail, special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD may be obtained from the carrier by leaving a note in the mailbox, along with the appropriate payment. The carrier will provide the services that day and leave a customer receipt in the mailbox on the next delivery day. FD, at 4; Item No. 25, Community Meeting Analysis, at 2-3; Proposal, at 4.

With respect to Petitioner's concern about the receipt of accountable mail, such as certified letters, registered letters and CODs. the Postal Service explained that if the customer lives less than one-half mile away from the line of travel, the carrier will attempt delivery of accountable items to the customer's residence. If the customer lives over one-half mile away or is not home when delivery is attempted, a notice will be left in the mailbox. Attempted delivery items will be taken back to the administrative Post Office. Customers may pick up the item at the Post Office, request redelivery on another day or authorize delivery to another party. FD, at 4; Item No. 25, Community Meeting Analysis, at 2; Proposal, at 3.

Upon the implementation of the Final Determination, delivery and retail services will be provided by rural route service under the administrative responsibility of the Argonia Post Office, located seven miles away. In addition to rural route service, which

is the recommended alternate service, customers may also receive postal services at the Argonia Post Office. The window service hours of the Argonia Post Office are from 8 a.m. to 4 p.m., Monday through Friday and from 8:30 a.m. to 10 a.m. on Saturday. FD, at 2; Item No. 18, Fact Sheet; Proposal, at 2. Thus, the Postal Service has properly concluded that all Milan customers will continue to receive regular and effective service via rural route service under the administrative responsibility of the Argonia Post Office.

Effect Upon the Milan Community

The Postal Service is obligated to consider the effect of its decision to close the Milan Post Office upon the Milan community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Milan is an incorporated rural community located in Sumner County. The community is administered politically by the Milan Mayor and Village Board. The Sumner County Sheriff provides police protection. Fire protection is provided by the Argonia, Kansas Volunteer Fire Department. FD, at 5; Item No. 16, Community Survey Sheet; Proposal at 5. The questionnaires completed by Milan customers indicate that, in general, those who reside in Milan must travel elsewhere for other supplies and services. See generally FD at 5; Item No. 22, Returned customer questionnaires and Postal Service response letters; Proposal at 5.

The Petitioner's letter of appeal raises the issue of the effect of closing the Milan Post Office upon the Milan community. This issue was extensively considered by the Postal Service. The Postal Service stated that the proposed alternate delivery service will meet the mailing and service needs of the community in a more cost effective manner. FD, at 7; Item No.21, Letter to Customer, at 1; Proposal, at 7.

In addition, the Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. The record makes clear that the Postal Service is addressing this concern through preservation of the community identity by continuing the use of the Milan name and ZIP Code in addresses. FD at 6; Item No. 25, Community Meeting Analysis, at 1-2; Proposal, at 5.

Petitioner also contends that that the customers of Milan Post Office should receive the same effective postal services that are provided in urban areas. The Postal Services notes that Post Offices are reviewed on a case-by-case basis. When there is a vacancy in a small Post Office, it is customary to conduct a study of the business vacancy and investigate the feasibility of providing service by alternative means. This analysis is not limited to Post Offices in rural areas. In this case, it was determined that the Postal Service could continue to provide a maximum degree of effective and regular postal services to the community through cost effective means.

Communities generally require regular and effective postal services and these will continue to be provided to the Milan community. The Postal Service has concluded that nonpostal services provided by the Milan Post Office can be provided by the Argonia Post Office. Government forms usually provided by the Post Office are also

available by contacting local government agencies. FD at 5; Item No. 23, Customer Questionnaire Analysis; Proposal, at 5.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Milan Post Office on the community served by the Milan Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route service would cost the Postal Service substantially less than maintaining the Milan Post Office and would still provide regular and effective service. FD, at 7; Item No. 21, Letter to Postal Customer, at 1; Proposal, at 7. The estimated annual savings associated with discontinuing the Milan Post Office are \$21,241. FD at 6; Item No. 17, Rural Route Cost Analysis Form; Item No. 18, Fact Sheet; Proposal, at 6. Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 6; Proposal, at 7.

The Postal Service determined that rural carrier service is more cost-effective than maintaining the Milan postal facility and postmaster position. FD at 7; Proposal, at 7. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing,

consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on September 30, 2008. A noncareer employee was installed as the temporary officer-in-charge (OIC). The noncareer postmaster relief serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility. The record shows that no other employee would be affected by this closing. FD at 6-7; Proposal, at 7. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Milan Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Milan Post Office on the provision of postal services and on the Milan community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Milan customers. FD at 7. The Postal Service

respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C.

§ 404(d)(2)(A). The Postal Service's decision to close the Milan Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Milan Post Office be affirmed.

Respectfully submitted,

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January 23, 2012